01. Library Financial Controls and Policies

Approved and Adopted via Resolution by unanimous vote of the Board of Trustees on September 25, 2017.  
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10 Claims Audit Policy

This policy governs the disbursement of all funds (claims for payment)

The Director pre-approves all Library expenditures. Guidelines for this process are in the 300-2 Purchasing and Procurement Policy.

The Bookkeeper receives all claims for payment. Vouchers for payment, sales receipts, invoices, and packing slips are submitted to the Bookkeeping Department for processing within seven (7) days of purchase.

The Bookkeeper then verifies:
1) Has the claim been approved by the Director? (dated and initialed)
2) Are there supporting documents? (e.g., contract documents, credit card receipts, packing slips)

Online Orders
The Director pre-approves the order.
The Director notes the corresponding expense category (e.g., Adult Fiction, Program Supplies) and cost center (e.g., Main, Catskill, Palenville).
The Director delegates staff authorized to receive incoming deliveries and verify that contents match packing slips. If a packing slip is not enclosed, a copy of the order is printed, and contents are verified against the order. The receiver dates and initials either the packing slip or the order copy.
Once verified, order paperwork is delivered to the Bookkeeper. This paperwork shall indicate the following:
1) Expense Category
2) Cost Center
3) Order Date
4) Received Date
5) Received By
6) Purchased Item Detail(s)
The Bookkeeper verifies that the individual orders are on the invoice.
The Bookkeeper verifies that the order total corresponds to the invoice total.
The Bookkeeper then posts a sale summary (using assigned expense categories and cost centers) on the payment voucher.
The Bookkeeper signs the payment voucher.
The Bookkeeper then generates a check in QuickBooks, entering the information on the payment voucher into the software.

In Person Purchases
The Director pre-approves all cash and credit card purchases. When a fixed dollar amount is unavailable, the Director approves a spending range.

The Director assigns a corresponding expense category (e.g., AF, 7343, JF) and cost center (e.g., Main, Catskill, Palenville).

The Purchaser indicates on the sales receipt:
1) Expense Category
2) Cost Center
3) Purchase Date
4) Their Initials
S) If the receipt is unclear, the purchaser should give a more detailed, written description of the items purchased

All sales receipts must be turned in to the Bookkeeper within seven (7) days of purchase. The Bookkeeper processes Petty Cash receipts immediately. The Bookkeeper processes Credit Card receipts in the same manner as Online Orders.

**Programming**
The Director pre-approves all programming contracts. The Director or assigned staff completes the payment voucher, indicating the expense category and cost center. Supporting documents are attached to the payment voucher, which is then given to the Bookkeeper for data entry into QuickBooks.

**Routine Monthly Billing**
Associated Payroll Expenses, Utilities, Custodial Services, and Rent are routine monthly billing. As such, they do not require prior approval from the Director.

1) The Bookkeeper receives all monthly billing
2) The Bookkeeper writes up the payment voucher, documenting
   a) Expense Category
   b) Cost Center
   c) Amount
   d) Memo indicating invoice number, date of service, brief description of service

The Bookkeeper signs the payment voucher. The Bookkeeper then generates a check in QuickBooks, entering the information on the payment voucher into the software.

**Check Writing and Check Signing**
The Library utilizes Electronic Funds Transfers (EFT) for Payroll and payroll liabilities. The Library does not use DEBIT cards in any situation.

The Library requires two (2) signatures on every check. Authorized signatories are:

- Library Director
- Board Treasurer
- Board President
- Board Vice-President

In all instances, a Payment Voucher is utilized. This voucher summarizes the purchase, indicates the budget expense line used, and indicates the cost center to which the expense should be charged.

Attached to the voucher are all supporting documents.

After entering the information into QuickBooks, the Bookkeeper prints the checks for signature. A copy of the check stub is stapled to the front of the voucher. The unsigned check is paper-clipped to the voucher.

Two (2) review passes are then made:

1) The Director reviews the check, voucher, and supporting documentation
2) After review, the Director signs the voucher and the check
3) The Treasurer reviews the check, voucher, and supporting documentation
4) After review, the Treasurer signs the voucher and the check

After reviewing and signing the checks, the Director and Treasurer sign off on the check register run.

When the Director or Treasurer is unavailable, the review passes and check register run signing will be performed by either the Library Board President or Vice-President.

Signed checks and vouchers, along with the check register run, are then returned to the Bookkeeper for processing.

Checks are mailed, and Vouchers are filed under the Vendor's name.

Daily:
The Bookkeeper reviews income and expenses for trends or concerns affecting the budget.

Weekly:
The Bookkeeper reviews income and expenses against the voted budget with the Treasurer and Director.

Monthly:
- The Bookkeeper prepares for the Treasurer and Director the Financial Statements, consisting of a Balance Sheet and Budget vs Actual
- The Bookkeeper prepares for the Board a monthly check register run, which is distributed to the Board along with the Financial Statements at the monthly meeting.
- The Bookkeeper makes available all supporting documentation of activity in the Operating Account (Income and Expenses).
- The Treasurer presents to the Trustees a Finance Report, which is entered into the minutes.
- The Treasurer presents to the Trustees the Financial Statements, which are entered into the minutes.
- The Board of Trustees is responsible for the final review of income and expenses at the monthly meeting.

Resolution: Adopted on September 25, 2017, by unanimous vote of the Board of Trustees of the Catskill Public Library.
Resolution: Reapproved by unanimous vote of the Board of Trustees on December 20, 2023.
Resolution: Amended unanimous vote of the Board of Trustees on March 20, 2023.
11 Purchasing & Procurement Policy

This policy governs the ability to use public funds for Library purchases according to applicable State and Federal Laws.

The Board of Trustees views purchasing as serving the educational goals and mission of the Library by providing supplies, equipment, and related services.

Clear lines of authority for approving purchases (before they occur) ensure the efficiency and cost-effectiveness of the procurement process. Approvals may consist of verbal or written requests.

Concurrently, the availability of budget appropriations is verified frequently throughout the fiscal year.

Only the Library Director or another agent designated by the Board of Trustees may commit the Library to purchases.

Purchasing Guidelines

The Library’s fiscal year runs from January 1st to December 31st. Annually, by public vote, the Library budget is developed, giving management the financial tools and guidelines to run the Library.

On no less than a monthly basis, the Bookkeeper is to review with the Director and Treasurer reports showing the line balances, the amount budgeted, spent to date, and available to spend.

No individual responsible for purchasing should order any goods or services for which there are no available funds in the budget/appropriation line for such a purchase. If a budget modification is deemed necessary by the Library Director and Treasurer to enable a purchase, a modified “working” budget will be developed by the Finance Committee and submitted to the Board of Trustees for consideration. No order should be placed until the Board takes positive action on the budget modification.
Purchasing Guidelines (continued)

General Purchases

1) Up to $5,000 Discretion of the Director
2) $5,001 to $20,000 Requires three (3) written quotes, whenever obtainable. Purchase must have prior permission from the Board President and Treasurer and be reported to the Board of Trustees at the following meeting.
3) over $20,000 Formal bid process except as provided under this policy or law.

Public Works

1) Up to $5,000 Discretion of the Director
2) $5,001 to $34,999 Requires three (3) written quotes, whenever obtainable. Purchase must have prior permission from the Board President and Treasurer and be reported to the Board of Trustees at the following meeting.
3) over $20,000 Formal bid process as provided by law.

Emergencies
In the event of an emergency requiring an expense of more than $5,000 to secure the safety of the staff, the public, or major library assets, the Library Director will immediately notify the Board President and Treasurer.

Designated Purchasing Agents: Reviewed annually (July meeting) and updated as needed:

Library Director: As per provisions of this policy.
Library Branch Manager: Limited to Library materials, program presenters, and program supply purchases. Must be prior-approved by the Library Director.
Librarian(s): Limited to Library materials, program presenters, and program supply purchases. Must be prior-approved by the Library Director.
Library Assistant: Limited to office supplies and equipment. Must be prior-approved by the Library Director.
Bookkeeper: Limited to office supplies and equipment, processing supplies, and limited materials purchases. Must be prior-approved by the Library Director.

All purchase receipts or invoices submitted for payment must indicate:
1) Purchaser
2) Date of Purchase
3) Place of Purchase
4) Method of payment (credit or cash)
5) Cost Center
6) Appropriate budget line

All purchases (packing slips) delivered to the Library must indicate:
1) Initials of who checked the order and the date received
2) Cost Center
3) Appropriate budget line

Contracts
The Library Director shall obtain the prior written approval of the Board of Trustees for any contract obligating the Library to expenditures for goods or services to be provided more than twelve (12) months after the contract date.

Payment Vouchers
All purchases shall be summarized on a payment voucher, indicating the budget line number, purchase amount, a brief description of the purchase, and Cost Center. The original receipt and packing slips will be attached to the voucher when appropriate.

The voucher must be signed by the originating purchasing agent (as above), the Bookkeeper, and the Director and Treasurer. If the Treasurer or Director is unavailable, the 2nd signatory on the bank check will sign in their stead.

Online or Direct Debit Payments
It is the policy of the Library to make all payments via bank check from the Operations Fund. Online withdrawals are allowed as follows:
1) Payroll Direct Deposit (bi-weekly)
2) Federal and State Payroll Taxes (bi-weekly and quarterly)
3) State retirement fund payment (monthly)

Any exception to this policy requires consent from all signatories to the Library’s bank account and will be issued on a one-time as-needed basis before withdrawal. Such exceptions will be reviewed by the Director and Treasurer and documented in Board minutes.

Use of Reserves or Board-Designated Fund
Using Reserves or Board Designated Funds for purchases requires a majority Board Resolution
specific to that use. No monies can be allocated outside the Operating Budget without prior Board authorization and vote.

**Bank Transfers**
Once approval to allocate Reserves or Board Designated Funds has been obtained from the Board of Trustees, the actual transfer of money from one account to another requires a written request via email from the Board Treasurer to the Bookkeeper. The Bookkeeper will email the Treasurer that the transfer has been completed.

**Purchase Contracts That Exceed $20,000**
The General Municipal Law requires that purchase contracts for materials, equipment, and supplies involving an estimated annual expenditure exceeding $20,000 and public work contracts involving more than $35,000 be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids.

Purchase contracts and public works contracts subject to competitive bidding will be awarded to the lowest responsible bidder. However, the board authorized that purchase contracts may be awarded based on best value, as defined by law.

**Exceptions**
Competitive bidding, even if the dollar value of the purchase meets the threshold established above, is not required in the following circumstances:

- In the event of an emergency to secure the safety of the staff, public or major Library assets,
- Procurements for which there is no possibility of competition (sole source items),
- Professional services that require a special skill or training.

Goods and services that are not required by law to be procured by the Library through competitive bidding will be procured in a manner to:

- Ensure the prudent and economical use of public monies,
- Be in the best interest of the taxpayers,
- Facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances,
- Guard against favoritism, improvidence, extravagance, fraud, and corruption.

Statutory exceptions for obtaining quotations and proposals under the terms of this policy are:

1) Articles manufactured in state correctional institutions,
2) Articles from agencies for the blind or severely disabled,
3) Articles under a state contract,
4) Articles under a county contract,
5) Articles under a contract of another political subdivision.
Bid Selection
Suppliers whose place of business is within the Library district may be given preferential consideration only when bids or quotes on an item or service are comparable to price, quality, and other factors. Purchases will be made through available cooperative BOCES bids, state contracts of the OGS, or county contracts whenever these purchases are in the best interest of the Library.

The Library will provide justification and documentation of any contract awarded to an offeror other than the lowest responsible dollar offeror, setting forth the reasons why such award is in the best interest of the Library and otherwise furthers the purposes of section 104b of the General Municipal Law.

The Library Director, with the assistance of the Treasurer or another member of the Board, as well as the Library Bookkeeper, shall be responsible for establishing and implementing the procedures and standard forms for use in all purchasing and related activities. Such procedures shall comply with all applicable laws and regulations of the state education commissioner.

No board member, officer, or employee of the Library shall have an interest in any contract entered into by the Library, as provided in Article 18 of the General Municipal Law.

Items Exempted from this Policy and Procedures by the Board of Trustees
The Board of Trustees allows that a circumstance may arise when, in the sole discretion of this governing body, the solicitation of alternative proposals or quotations will not be in the best interest of the Library.

In every case, Board approval must be obtained after considering price, ease of use, promptness of service, and any other mitigating factors that may affect this choice.

Ethics and Conflict of Interest
All employees, trustees, and officers must maintain high ethical standards of conduct and avoid situations where there is even the appearance of impropriety in all purchasing or procurement endeavors. If a conflict or potential conflict of interest is identified, the Board of Trustees will review the situation and take action as appropriate.

Annual Review
The Board of Trustees shall annually review and, when needed, update this policy.

The Finance Committee, under the advisement of the Board Treasurer, shall be responsible for conducting an annual evaluation of the effectiveness of this purchasing and procurement policy, as well as an evaluation of the control procedures established to ensure compliance with this procurement policy, and shall be responsible for reporting its findings back to the Board.

Resolution: Adopted on September 25, 2017, by unanimous vote of the Board of Trustees of the Catskill Public Library. Resolution: Reapproved by unanimous vote of the Board of Trustees on December 20, 2023.
Resolution: Amended by unanimous vote of the Board of Trustees on March 20, 2024.
14 Bank Reconciliation Policy

This policy governs the management of Monthly Bank Statements and Reconciliation.

It is the policy of the Library that all incoming or outgoing funds to the Library’s bank accounts be recorded in the general ledger (QuickBooks) on a timely basis. Frequent bank reconciliation is essential to prevent fraud and to ensure the Library’s funds are handled with fiscal and fiduciary responsibility.

Bank account reconciliation is a key component of good cash control and must be done promptly. Reconciling the bank statement balance with the book balance is necessary to ensure that (1) all receipts and disbursement are recorded; (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees with the general ledger (QuickBooks) cash balance.

This policy applies to all bank accounts held by the Library.

Each bank account will be reconciled monthly and within 20 business days of the bank statement date.

Bookkeeping will reconcile the accounts(s) and deliver the bank statement with the QuickBooks reconciliation Detail and Summary to the Director and Treasurer. The Director and Treasurer will review and sign off on the statement and reconciliation paperwork generated by QuickBooks.

The original bank account statement and reconciliation paperwork will then be returned to the Bookkeeper, scanned for future audit, and filed in a central file held by the Bookkeeper.

Resolution: Adopted on September 25, 2017, by unanimous vote of the Board of Trustees of the Catskill Public Library.
Resolution: Reapproved by unanimous vote of the Board of Trustees on December 20, 2023.
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